



Claire McCaskill

Missouri State Auditor

March 2005

Office of the State Treasurer

Year Ended June 30, 2004



Office Of The
State Auditor Of Missouri
Claire McCaskill

March 2005

The following report is our review of the Office of the State Treasurer.

The Office of State Treasurer (STO) is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies as allowed by state law. The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services; 2) disbursements and records; 3) investments and deposit programs; and 4) unclaimed property.

The STO's internal audits of the collateral securities system do not ensure custodial banks properly release collateral securities in accordance with the custodial contract. Our review of audits of three custodial banks for the quarter ended March 31, 2004, found the Internal Audit staff noted pledged securities that were included in the STO's collateral security records but not on the bank confirmations and vice versa. In six of the instances, for which letters were sent in May 2004 requesting additional information to resolve the issues, the office had neither received a response nor been followed up by the STO as of October 12, 2004. In 14 other instances, the Internal Audit staff was able to trace the release to a subsequent authorization letter; however, they did not contact the banks to determine the actual date of release or notify the banks of the apparent discrepancies. The failure to officially notify the custodial banks when possible violations are noted may weaken the STO's ability to enforce the contract requirements in the event of a bank default. Additionally, the STO Internal Audit staff does not summarize or report the audit results of the collateral securities to upper management. As a result, the STO's management staff is not made aware of recurring problems that might warrant further action with the bank.

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YELLOW SHEET

OFFICE OF STATE TREASURER

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Nancy Farmer
and
Honorable Sarah Steelman, State Treasurer
Jefferson City, MO 65102

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Cash and Investments of the Abandoned Fund Account Fund, Central Check Mailing Service Revolving Fund, and Treasurer's Information Fund; and Statement of Appropriations and Expenditures of the various funds of the Office of State Treasurer as of and for the years ended June 30, 2004 and 2003. These financial statements are the responsibility of the office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting or the state's legal budgetary basis of accounting, which are comprehensive bases of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash and investments of the Abandoned Fund Account Fund, Central Check Mailing Service Revolving Fund, and Treasurer's

Information Fund; and the appropriations and expenditures of the various funds of the Office of State Treasurer as of and for the years ended June 30, 2004 and 2003, on the bases of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 28, 2005, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that presented in Schedule 4, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. We did not audit the information presented in Schedule 4 and, accordingly, express no opinion on it.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill
State Auditor

January 28, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Douglas J. Porting, CPA, CFE
In-Charge Auditor:	Katherine K. Cardenas, CPA
Audit Staff:	Lucinda Hentges
	Gary A. Raines
Anne M. Jenkins	



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS**

Honorable Nancy Farmer
and
Honorable Sarah Steelman, State Treasurer
Jefferson City, MO 65102

We have audited the financial statements of the Office of State Treasurer as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated January 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Office of State Treasurer, we considered the office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Management Advisory Report.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over

financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Office of State Treasurer are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of the Office of State Treasurer and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

January 28, 2005 (fieldwork completion date)

Financial Statements

Exhibit A

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS-
ABANDONED FUND ACCOUNT FUND, CENTRAL CHECK MAILING SERVICE REVOLVING FUND, AND
TREASURER'S INFORMATION FUND

	Year Ended June 30,					
	2004			2003		
	Abandoned Fund Account Fund	Central Check Mailing Service Revolving Fund	Treasurer's Information Fund	Abandoned Fund Account Fund	Central Check Mailing Service Revolving Fund	Treasurer's Information Fund
RECEIPTS						
Unclaimed deposits, dividends, interest, and other	\$ 76,788,648	0	0	38,489,195	0	0
Charges for services	0	157,281	1,309	0	154,113	2,015
Total Receipts	76,788,648	157,281	1,309	38,489,195	154,113	2,015
DISBURSEMENTS						
Refunds of unclaimed deposits	18,739,655	0	0	13,011,897	0	0
Expense and equipment	1,109,851	159,771	2,529	249,758	113,729	3,387
Total Disbursements	19,849,506	159,771	2,529	13,261,655	113,729	3,387
RECEIPTS OVER (UNDER) DISBURSEMENTS	56,939,142	(2,490)	(1,220)	25,227,540	40,384	(1,372)
TRANSFERS						
Transfers from Other Funds	0	0	0	6,965,894	0	0
Transfers (to) Other Funds	(54,086,974)	(1,504)	(41)	(31,465,574)	(585)	(23)
Total Transfers	(54,086,974)	(1,504)	(41)	(24,499,680)	(585)	(23)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	2,852,168	(3,994)	(1,261)	727,860	39,799	(1,395)
CASH AND INVESTMENTS, JULY 1	2,925,399	42,925	8,380	2,197,539	3,126	9,775
CASH AND INVESTMENTS, JUNE 30	\$ 5,777,567	38,931	7,119	2,925,399	42,925	8,380

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2004			2003		
	Appropriations	Expenditures	Lapsed Balances**	Appropriations	Expenditures	Lapsed Balances **
GENERAL REVENUE FUND - STATE						
Issuing duplicate/outlawed checks	\$ 3,225,000	1,124,492	2,100,508	1,500,000	1,255,175	244,825
Services to monitor companies doing business in Northern Ireland	4,500	0	4,500	0	0	0
Outlawed checks	0	0	0	50,150	46,947	3,203
Lease and utility expense	4,388	1,521	2,867 *	3,921	2,959	962
Personal service	1,378,412	1,321,101	57,311	1,282,524	1,209,326	73,198
Expense and equipment	380,383	354,576	25,807	419,942	367,729	52,213
Personal service/expense and equipment flex	0	0	0	189,163	162,903	26,260
Refunds of excess interest from the linked deposit program	3,000	2,333	667	3,000	1,627	1,373
Total General Revenue Fund - State	4,995,683	2,804,023	2,191,660	3,448,700	3,046,666	402,034
TREASURER'S INFORMATION FUND						
Expense and equipment	25,000	2,529	22,471	8,000	3,387	4,613
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Expense and equipment	225,000	159,771	65,229	225,000	113,729	111,271
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND						
Personal service	464,135	464,134	1	458,699	444,936	13,763
SECOND INJURY FUND						
Personal service	36,675	36,674	1	36,232	36,232	0
Expense and equipment	3,280	3,280	0	3,280	3,280	0
Total Second Injury Fund	39,955	39,954	1	39,512	39,512	0
ABANDONED FUND ACCOUNT FUND						
Expense and equipment	1,119,000	1,109,851	9,149	345,000	249,758	95,242
Payment of claims for abandoned property	20,000,000	18,739,655	1,260,345	16,000,000	13,011,897	2,988,103
Total Abandoned Fund Account Fund	21,119,000	19,849,506	1,269,494	16,345,000	13,261,655	3,083,345
Total All Funds	\$ 26,868,773	23,319,917	3,548,856	20,524,911	16,909,885	3,615,026

* Biennial appropriations set up in fiscal year 2004 are re-appropriations to fiscal year 2005. After the fiscal year-end processing has been completed, the unexpended fiscal year 2004 appropriation balance for a biennial appropriation is established in fiscal year 2005. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2004.

** Office officials indicated the lapsed balances included the following withholdings made at the Governor's request:

	Year Ended June 30, 2004	Year Ended June 30, 2003
General Revenue Fund - State:		
Monitoring Northern Ireland	\$ 135	0
Personal service	0	90,931
Expense and equipment	0	49,405
Outlawed checks	0	900
Refunds of excess interest from the linked deposit program	90	720
Lease and utility expense	132	183
Total	\$ 357	142,139
State Highways and Transportation Department Fund:		
Personal service	\$ 0	13,761

The accompanying Notes to the Financial Statements are an integral part of this statement.

Supplementary Data

Schedule 1

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,	
	2004	2003
Personal service	\$ 1,821,909	1,853,397
Travel	11,774	15,007
Expense and equipment	278,807	225,635
Communications expense	39,092	49,398
Professional services	1,125,527	264,399
Equipment repairs and maintenance	71,099	71,990
Equipment and software purchases	105,229	114,413
Abandoned fund claim payments and linked deposit interest refunds	18,741,988	13,013,524
Replacement of outlawed checks	1,124,492	1,302,122
Total Expenditures	<u>\$ 23,319,917</u>	<u>16,909,885</u>

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 2

OFFICE OF STATE TREASURER
STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS
YEAR ENDED JUNE 30, 2004

	Furniture and Equipment	Motor Vehicles	Total General Capital Assets
Balance, June 30, 2003	\$ 818,886	16,582	835,468
Additions	83,734	0	83,734
Dispositions	(12,411)	0	(12,411)
Balance, June 30, 2004	\$ 890,209	16,582	906,791

Fund of Acquisition	Balance June 30, 2004
General Revenue Fund-State	\$ 843,634
Central Check Mailing Service Revolving Fund	38,054
Second Injury Fund	2,093
Abandoned Fund Account Fund	21,311
Treasurer's Information Fund	1,699
Total All Funds	\$ 906,791

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 3

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF FUNDS IN CUSTODY OF STATE TREASURER

	June 30,				
	2004	2003	2002	2001	2000
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	\$ 12,247,705	(5,845,909)	2,576,463	19,067,922	20,193,672
Central Bank	(58,532,570)	(133,946,937)	(138,593,954)	(171,270,259)	(145,640,671)
Premier Bank	58,705	17,025	43,795	23,742	N/A
Collection bank accounts	3,953,086	3,640,880	4,938,377	1,269,172	1,144,983
Total Demand Deposits	<u>(42,273,074)</u>	<u>(136,134,941)</u>	<u>(131,035,319)</u>	<u>(150,909,423)</u>	<u>(124,302,016)</u>
Pooled Investments:					
Time deposits	373,397,355	326,995,334	367,178,643	453,435,866	498,164,830
U.S. government securities	1,678,892,718	1,701,713,339	1,447,407,896	1,419,273,616	1,812,434,510
Commercial paper and banker acceptances	516,179,983	516,971,919	694,144,369	873,037,428	688,517,469
Repurchase agreements	356,298,000	361,795,000	527,329,300	341,656,000	214,844,900
Other investments	N/A	N/A	N/A	N/A	N/A
Total Pooled Investments	<u>2,924,768,056</u>	<u>2,907,475,592</u>	<u>3,036,060,208</u>	<u>3,087,402,910</u>	<u>3,213,961,709</u>
Total Demand Deposits and Pooled Investments(Schedule 4)	<u>2,882,494,982</u>	<u>2,771,340,651</u>	<u>2,905,024,889</u>	<u>2,936,493,487</u>	<u>3,089,659,693</u>
Special Fund Dedicated Investments:					
U.S. government securities	22,307,523	19,513,106	17,611,544	16,703,999	15,900,896
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	<u>22,312,653</u>	<u>19,518,236</u>	<u>17,616,674</u>	<u>16,709,129</u>	<u>15,906,026</u>
Total Appropriated Funds	<u>2,904,807,635</u>	<u>2,790,858,887</u>	<u>2,922,641,563</u>	<u>2,953,202,616</u>	<u>3,105,565,719</u>
NONAPPROPRIATED FUNDS					
Demand deposits	12,326,160	36,701	184,828	19,312	4,417
Repurchase agreements	8,329,000	19,406,000	96,338,000	110,607,600	8,074,300
U.S. government securities	15,105,450	64,522,948	65,418,122	65,312,467	0
Total Nonappropriated Funds (Schedule 5)	<u>35,760,610</u>	<u>83,965,649</u>	<u>161,940,950</u>	<u>175,939,379</u>	<u>8,078,717</u>
Total Cash and Investments	<u>\$ 2,940,568,245</u>	<u>2,874,824,536</u>	<u>3,084,582,513</u>	<u>3,129,141,995</u>	<u>3,113,644,436</u>

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
General Revenue Fund	\$ 505,819,660	288,668,747	326,037,792	438,697,261	776,602,798
Budget Reserve Fund	444,203,058	462,371,185	469,923,934	451,979,496	N/A
Budget Stabilization Fund	0	0	0	0	142,777,241
Cash Operating Reserve - General Revenue Fund	0	0	0	0	293,425,819
Abandoned Fund Account Fund	5,777,567	2,925,399	2,197,539	2,799,058	671,421
Abandoned Mine Reclamation Fund	1,009,746	992,668	906,128	805,733	709,252
Academic Scholarship Fund	286,706	330,882	133,211	327,773	321,932
Acupuncturist Fund	48,722	45,512	22,352	0	0
Adjutant General - Federal Fund	3,499,460	2,531,799	2,513,349	1,259,644	1,575,342
Adjutant General Revolving Fund	83,706	96,929	112,537	110,311	244,176
Administrative Trust Fund	10,389,140	10,257,922	11,906,971	12,353,604	10,990,480
Advantage Missouri Trust Fund	379,860	105,864	166,500	82,906	36,860
Agricultural Product Utilization and Business					
Development Loan Guarantee Fund	4	N/A	N/A	N/A	N/A
Agricultural Product Utilization Business					
Development Loan Guarantee Fund	1	1	1	1	8
Agricultural Product Utilization Grant Fund	19	41	48,656	73,417	417,500
Agriculture Bond Trustee Fund	0	0	0	0	0
Agriculture Development Fund	62,256	82,753	81,312	64,422	55,582
Alternative Care Trust Fund	3,394,342	2,972,087	2,724,219	2,011,676	1,917,619
Americans With Disabilities Act Compliance Fund	0	0	30,362	283,262	1,566,973
Animal Care Reserve Fund	162,834	150,306	114,357	143,176	206,352
Animal Health Laboratory Fee Fund	184,004	174,107	222,038	247,997	235,049
Antiterrorism Fund	988	N/A	N/A	N/A	N/A
Apple Merchandising Fund	3,996	5,813	15,171	10,386	11,214
Aquaculture Marketing Development Fund	0	7	1	0	0
Arrow Rock State Historic Site Fund	22,661	22,278	N/A	N/A	N/A
Assistive Technology Loan Revolving Fund	2,072,894	1,141,856	1,020,146	469,704	N/A
Athletic Fund	515,626	424,024	472,084	405,982	351,203
Attorney General - Federal and Other Fund	252,576	29,349	4,706	46,212	663
Attorney General Anti-Trust Revolving Fund	128,388	488,419	597,451	314,260	801,742
Attorney General Court Costs Fund	49,908	67,090	48,937	48,898	11,644
Aviation Trust Fund	2,737,048	3,259,469	5,840,058	8,593,264	6,197,404
Basic Civil Legal Services Fund	260,857	N/A	N/A	N/A	N/A
Bingo Proceeds for Education Fund	4,913,574	5,048,369	6,165,023	5,910,434	7,078,673
Biodiesel Fuel Revolving Fund	191,385	2,655	N/A	N/A	N/A
Blind Pension Fund	12,728,361	12,495,281	10,448,724	7,949,388	5,735,291
Blindness Education, Screening and Treatment Program Fund	539,975	469,756	305,462	113,420	N/A
Board of Barber Examiners Fund	571,704	277,404	394,477	106,499	150,580
Board of Embalmers and Funeral Directors Fund	1,162,774	598,740	907,167	329,728	657,413
Board of Geologist Registration Fund	193,549	168,367	141,930	101,147	88,133
Board of Pharmacy Fund	2,718,220	2,563,783	2,283,999	2,042,991	1,451,661
Board of Registration for the Healing Arts Fund	6,419,544	4,492,400	6,765,256	5,174,356	5,179,330
Boiler and Pressure Vessels Safety Fund	475,950	342,438	N/A	N/A	N/A
Boll Weevil Suppression and Eradication Fund	39,460	5,466	9,158	0	0
BPB Series A 2003 Bond Proceeds - Projects	118,185,365	203,204,063	N/A	N/A	N/A
BPB Series A 2003 Bond Proceeds - Notes	40,320	24,360	N/A	N/A	N/A
Bridge Scholarship Fund	0	0	0	0	1,335,986
Business Extension Service Team Fund	327,522	298,179	1,544,580	4,962,020	4,248,291
Central Check Mailing Service Revolving Fund	38,930	42,924	3,126	6,980	23,361
Champ W. Smith & Mary C. Smith					
Memorial Endowment Trust Fund	380,256	388,011	413,079	424,095	405,892
Chemical Emergency Preparedness Fund	702,192	634,562	554,474	651,174	746,644
Childhood Lead Testing Fund	166,542	N/A	N/A	N/A	N/A
Child Labor Enforcement Fund	164,455	163,877	138,996	43,995	30,107
Child Support Enforcement Fund	10,181,912	6,304,558	4,595,307	7,762,255	11,139,043

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Children's Trust Fund	3,278,420	3,302,480	3,578,065	4,250,891	4,302,138
Clinical Social Workers Fund	795,507	695,706	675,815	568,315	559,955
Coal Mine Land Reclamation Fund	780,537	839,048	831,359	908,615	846,917
Committee of Professional Counselors Fund	992,245	803,934	805,425	416,898	564,397
Commodity Council Merchandising Fund	48,208	41,751	8,591	24,488	21,641
Community Service Commission Fund	27,657	7,108	165	14,367	4,605
Compulsive Gamblers Fund	515,250	352,265	176,940	10,124	111,115
Concentrated Animal Feeding Operation Indemnity Fund	279,969	216,740	189,030	154,534	118,759
Confederate Memorial Park Fund	141,266	138,904	135,595	130,751	123,329
Conservation Commission Fund	29,535,857	27,218,529	24,343,917	17,034,452	27,911,407
Correctional Substance Abuse Earnings Fund	457,559	366,640	265,324	174,670	86,723
County Aid Road Trust Fund	116	116	116	116	116
Crime Victims' Compensation Fund	7,763,696	7,813,312	7,663,263	7,750,711	8,463,246
Criminal Justice Network and Technology Revolving Fund	484,729	620,322	701,518	550,912	163,278
Criminal Record System Fund	6,148,943	6,664,778	6,973,044	6,085,569	4,856,861
Crippled Children's Service Fund	130,737	205,812	269,420	439,710	376,064
Deaf Relay Service Fund	3,300,513	4,327,037	6,485,237	7,357,731	7,379,884
Debt Offset Escrow Fund	7,903,524	8,929,246	20,364,842	17,509,906	10,076,605
Dental Board Fund	610,887	1,130,372	433,982	408,942	406,924
Department of Agriculture - Federal Fund	482,230	699,123	784,195	17,179	22,321
Department of Corrections - Federal Fund	688,738	614,585	111,482	2,464,906	2,587,151
Department of Economic Development - Community Development Block Grant Administration Fund	67,459	20,038	3,983	46,476	35,093
Department of Economic Development - Community Development Block Grant Pass-through Fund	63,662	53,263	1,845,536	35,736	5,722
Department of Economic Development - Federal and Other Fund	30,476	30,609	99,533	29,062	70,916
Department of Economic Development - Management Information Systems - Federal and Other Fund	129	129	129	129	129
Department of Economic Development - Missouri Council on the Arts - Federal and Other Fund	12,082	14,615	13,835	12,242	33,347
Department of Economic Development - Women's Council - Federal Fund	5,433	5,433	5,433	5,433	5,433
Department of Economic Development Administrative Fund	411,013	572,139	207,785	221,601	290,726
Department of Health - Donated Fund	209,211	359,452	774,473	747,772	801,302
Department of Health - Federal Fund	6,003,963	3,143,988	2,691,986	1,151,130	5,202,042
Department of Health Document Services Fund	278,796	20,239	23,585	49,852	108,408
Department of Health Interagency Payments Fund	2	56,672	245,758	223,159	242,963
Department of Higher Education - Federal Fund	19,234	47,877	28,328	26,187	31,712
Department of Insurance Dedicated Fund	6,206,867	12,147,179	10,076,526	9,190,004	8,621,390
Department of Labor and Industrial Relations - Administrative Fund	213,448	1,012,498	3,849,088	383,796	0
Department of Labor and Industrial Relations - Commission on Human Rights - Federal Fund	700,515	790,723	674,639	1,392,396	1,168,794
Department of Labor and Industrial Relations - Crime Victims -Federal Fund	0	0	72	96,269	95,199
Department of Mental Health - Federal Fund	23,479,160	29,239,753	30,668,576	55,593,079	61,697,526
Department of Natural Resources - Federal and Other Fund	1,962,694	3,427,103	4,678,658	6,522,883	2,981,637
Department of Natural Resources Cost Allocation Fund	1,431,088	1,127,444	872,858	858,747	1,743,982
Department of Natural Resources Revolving Services Fund	420,859	377,967	571,454	209,629	348,300
Department of Public Safety - Federal Fund	801,449	96,775	119,958	338,119	1,858,163
Department of Public Safety - Highway Safety Fund	550,989	101,637	127,327	128,543	213,398
Department of Public Safety - JAIBG Fund	2,650,334	7,434,315	8,521,054	5,195,957	7,626,596
Department of Revenue - Federal Fund	207,210	154,105	207,790	212,081	214,946

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Department of Revenue Information Fund	194,100	607,879	565,113	512,115	664,532
Department of Social Services - Federal and Other Fund	501	0	0	1,127,274	14,600,515
Department of Social Services Administrative Trust Fund	349,682	704,197	169,949	736,244	241,972
Department of Social Services Educational Improvement Fund	3,060,304	3,379,189	3,602,098	2,855,751	3,850,534
Design and Construction Donated Fund	9	9	9	9	9
Dietitian Fund	358,617	249,600	326,345	93,820	0
Division of Aging - Federal and Other Fund	449	425	94	1,891,908	2,342,779
Division of Aging Donations Fund	1,599	1,599	1,599	1,599	1,599
Division of Aging Elderly Home Delivered Meals Trust Fund	111,855	142,575	94,066	101,748	88,453
Division of Credit Unions Fund	122,938	169,200	280,934	359,639	334,940
Division of Family Services - Administrative Fund	26,280,945	34,026,564	15,700,137	14,567,652	12,916,096
Division of Family Services Donations Fund	135,185	192,322	180,335	272,833	261,633
Division of Finance Fund	730,208	305,021	295,004	673,349	1,260,473
Division of Labor Standards - Federal Fund	0	6,945	13,849	13,616	28,424
Division of Savings and Loan Supervision Fund	25,921	28,971	29,010	40,692	28,569
Division of Tourism Supplemental Revenue Fund	2,544,679	2,544,150	4,114,661	4,184,763	3,524,625
Division of Youth Services - Federal and Other Fund	13	8	10	648,999	2,406,578
Doctor Edmund A. Babler Memorial - State Park Fund	737,715	752,269	791,079	836,892	939,903
Domestic Relations Resolution Fund	343,455	611,081	641,396	569,705	367,203
Drug Court Resources Fund	762,917	191,936	N/A	N/A	N/A
Dry-Cleaning Environmental Response Trust Fund	2,091,208	1,489,376	825,019	208,690	N/A
Early Childhood Development, Education and Care Fund	5,661,080	10,202,919	32,676,659	43,821,123	45,465,648
Economy Rate Telephone Service Fund	0	0	0	50	N/A
Election Administration Improvement Fund	62,373,206	17,357,004	N/A	N/A	N/A
Elementary and Secondary Education - Federal and Other Fund	3,793,758	3,574,431	1,601,085	1,229,874	2,606,482
Elevator Safety Fund	47,122	216,197	145,066	85,906	N/A
Endowed Care Cemetery Audit Fund	315,418	264,063	255,647	218,963	241,779
Energy Set-Aside Program Fund	16,560,253	21,642,086	21,567,293	22,336,181	14,135,697
Escheats Fund	793	0	6,854,394	6,872,791	6,287,398
Excellence in Education Fund	1,598,967	1,629,046	1,426,892	1,099,804	1,004,463
Facilities Maintenance Reserve Fund	42,261,310	1,126,709	10,204,928	30,966,318	22,768,361
Fair Share Fund	1,898,589	2,017,456	1,987,035	2,105,985	2,332,105
Family Support Loan Fund	21,187	19,608	116,614	114,995	97,058
Federal - Missouri Department of Insurance Fund	0	0	0	0	0
Federal and Other Fund	91,102	164,219	14,704	2,850	11,263
Federal Drug Seizure Fund	1,393,213	757,337	1,295,193	2,237,474	3,809,785
Federal Reimbursement Allowance Fund	5,640,973	33,195,414	13,978,859	23,147,141	27,780,449
Federal Student Loan Reserve Fund	15,504,380	22,234,075	20,486,626	26,959,150	34,595,580
Federal Surplus Property Fund	2,128,981	1,995,073	1,649,261	1,690,580	1,508,761
Fine Collections Center Interest Revolving Fund	0	1	850	10,129	0
Firing Range Fee Fund	1,434	1,434	1,434	1,434	1,434
Food Stamp EBT Settlement Fund	0	0	0	0	0
Fourth State Building - Series A 1998	8,564,555	10,117,941	11,656,995	15,350,156	19,036,607
Fourth State Building Bond and Interest Series A 1995	2,590,869	3,369,624	5,938,049	6,112,982	6,008,573
Fourth State Building Bond and Interest Series A 1996	5,140,410	9,262,607	9,837,013	10,142,670	10,049,005
Fourth State Building Bond and Interest Series A 1998	3,530,700	3,578,120	3,674,666	3,804,229	3,777,876
Fourth State Building Bond and Interest Series A 2002	7,394,105	7,542,860	N/A	N/A	N/A
Gaming Commission Bingo Fund	0	0	0	2,537	17,394
Gaming Commission Fund	10,837,736	4,001,746	4,210,689	4,690,850	6,835,388
Gaming Proceeds for Education Fund	9,958,905	7,715,821	16,838,239	13,416,742	13,749,083
GEAR-UP Scholarship Fund	2,945,008	1,325,932	1,302,681	N/A	N/A
General Revenue Reimbursements Fund	1,829,840	722,693	11,913,176	6,500,746	10,797,459
Governor's Committee on Employment of the Handicapped - Federal Fund	233,220	159,262	199,584	704,496	166,405

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Governor's Council on Physical Fitness Institution					
Gift Trust Fund	35,205	3,113	N/A	N/A	N/A
Grade Crossing Safety Account Fund	4,856,618	4,827,077	4,654,379	4,872,583	4,414,151
Grain Inspection Fees Fund	530,403	544,691	451,865	340,234	442,300
Groundwater Protection Fund	174,818	110,973	116,628	207,197	225,685
Guaranty Agency Operating Fund	15,672,059	10,279,228	7,527,667	6,970,923	8,612,013
Handicapped Children's Trust Fund	23	23	23	23	846
Hazardous Waste Fund	707,816	888,282	1,076,035	962,798	596,416
Hazardous Waste Remedial Fund	3,194,368	3,366,617	2,582,929	2,829,818	3,573,649
Head Injury Fund	728,437	457,855	N/A	N/A	N/A
Health Access Incentive Fund	990,833	1,015,562	753,390	582,825	1,979,962
Health Initiatives Fund	3,516,694	3,436,477	5,847,311	8,298,720	9,320,373
Health Spa Regulatory Fund	102,950	98,050	87,620	76,161	69,515
Healthy Families Trust Fund	1,782,323	4,027,543	0	211,330,653	N/A
Healthy Families Trust Fund - Early Childhood					
Care and Education Account	0	266,913	788,659	0	N/A
Healthy Families Trust Fund - Health Care					
Treatment and Access Account	2,450,828	3,579,837	6,845,344	0	N/A
Healthy Families Trust Fund -					
Life Sciences Research Account	0	0	11,730	0	N/A
Healthy Families Trust Fund - Seniors					
Catastrophic Prescription Drug Account	1,945	16,295	60,847,227	0	N/A
Healthy Families Trust Fund - Tobacco Prevention,					
Education and Cessation Account	77,048	62,244	47,129	0	N/A
Hearing Instrument Specialist Fund	118,395	106,458	100,021	91,419	84,605
Highway Patrol Academy Fund	624,129	496,506	486,645	464,005	483,302
Highway Patrol Inspection Fund	1,508,279	2,888,801	3,874,665	2,519,683	3,305,943
Highway Patrol's Motor Vehicle and					
Aircraft Revolving Fund	7,565,814	5,425,200	3,865,254	4,517,360	4,185,382
Highway Patrol Traffic Records Fund	301,342	N/A	N/A	N/A	N/A
Historic Preservation Revolving Fund	876,012	853,885	1,390,762	1,471,854	760,279
Homeland Security Fund	1	80,202	N/A	N/A	N/A
House of Representatives Revolving Fund	39,190	36,077	13,221	81	4,664
Independent Living Center Fund	478,636	689,688	529,844	404,258	403,768
Industrial Development and Reserve Fund	0	0	0	0	0
Infrastructure Development Fund	0	0	0	0	N/A
Inmate Incarceration Reimbursement Act Revolving Fund	388,077	264,748	212,093	184,618	147,400
Inmate Revolving Fund	1,026,148	895,119	1,460,329	2,556,898	2,009,020
Insurance Examiners Fund	1,013,506	879,199	649,861	523,237	506,241
Intergovernmental Transfer Fund	1,197,614	992,173	26,477,310	2,000,000	N/A
Interior Design Council Fund	49,755	49,357	28,456	19,975	0
International Trade Show Revolving Fund	85,913	74,551	75,510	67,835	22,026
Investors Restitution Fund	6,620,895	1,000	N/A	N/A	N/A
Job Development and Training Fund	1,582,431	401,199	671,693	2,619,964	3,336,531
Judiciary Education and Training Fund	573,328	521,287	591,887	194,489	203,298
Kid's Chance Scholarship Fund	268,736	214,653	160,420	105,710	51,193
Landscape Architectural Council Fund	0	0	37,434	15,663	24,059
Legal Defense and Defender Fund	412,516	134,253	206,881	163,647	472,424
Legal Services For Low-Income People Fund	1,629	46,728	1,013,280	N/A	N/A
Library Networking Fund	118,757	206,179	74,550	15,104	44,362
Licensed Perfusionists Fund	0	0	0	0	7,980
Light Rail Safety Fund	0	0	0	30	1,694
Livestock Brands Fund	621	24,425	0	9,104	415
Livestock Dealer Law Enforcement and Administration Fund	230	238	351	45	5,184
Livestock Sales and Markets Fees Fund	0	0	37	75	11,265
Local Records Preservation Fund	1,614,128	1,278,405	976,075	1,141,354	1,552,964

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Lottery Proceeds Fund	31,198,540	14,727,175	15,558,203	30,556,966	65,839,958
Mammography Fund	442,334	394,348	336,334	274,339	232,751
Manufactured Housing Fund	409,100	127,791	132,165	263,293	493,135
Marguerite Ross Barnett Scholarship Fund	5,930	83,855	121,866	65,027	13,038
Marital and Family Therapists Fund	68,489	51,158	50,969	56,437	42,238
Marketing Development Fund	1,320,362	976,427	482,875	348,237	337,917
Massage Therapy Fund	421,116	454,723	281,497	300,677	0
MCSAP/Division of Transportation - Federal Fund	214,037	156,769	15,277	877	196,640
Medicaid Fraud Reimbursement Fund	5,000	5,000	5,000	5,000	5,000
Medical School Loan and Loan Repayment Program Fund	24,527	66,930	107,406	153,820	168,391
Mental Health Central Supply Fund	0	0	0	0	0
Mental Health Earnings Fund	315,647	338,079	516,977	552,617	500,396
Mental Health Housing Trust Fund	4,779	4,994	4,876	4,702	4,435
Mental Health Interagency Payments Fund	829,898	564,969	235,028	776,271	487,924
Mental Health Intergovernmental Transfers Fund	0	0	N/A	N/A	N/A
Mental Health Trust Fund	4,525,994	5,435,457	4,228,512	3,955,680	6,438,120
Meramec-Onondaga State Parks Fund	1,059,184	1,059,803	1,053,908	1,034,424	994,567
Merchandising Practices Revolving Fund	2,640,623	3,065,658	3,317,361	3,277,363	2,950,469
Metallic Minerals Waste Management Fund	117,068	145,960	175,343	216,708	215,477
Microfilming Service Revolving Trust Fund	0	0	0	35,768	35,768
Mined Land Reclamation Fund	3,004,429	3,634,743	3,744,535	3,839,689	3,995,941
Missouri Air Emission Reduction Fund	3,203,528	2,866,868	2,282,557	1,748,643	375,581
Missouri Air Pollution Control Fund	92,840	102,122	77,436	65,107	853,041
Missouri Alternative Fuel Vehicle Loan Fund	2,887	306,268	300,031	0	0
Missouri Arts Council Trust Fund	6,644,135	9,676,993	10,233,207	8,928,801	9,061,274
Missouri Board Of Occupational Therapy Fund	431,955	496,972	417,032	444,509	221,288
Missouri Breeders Fund	84,621	83,206	81,235	78,342	76,814
Missouri Capital Access Program Fund	0	0	0	0	242,500
Missouri CASA Fund	74,471	94,610	57,320	N/A	N/A
Missouri Children's Service Commission Fund	1,956	16,698	16,846	16,632	16,763
Missouri College Guarantee Fund	565,318	346,098	1,279,252	4,802,651	6,546,112
Missouri Commission for the Deaf Board of Certification of Interpreters Fund	10,288	11,772	14,793	21,516	3,320
Missouri Commission for the Deaf and Hard of Hearing Fund	3,131	N/A	N/A	N/A	N/A
Missouri Community College Job Training Program Fund	10,187	548,779	7,428	7,428	0
Missouri Consolidated Health Care Plan Benefit Fund	11,242	11,242	11,498	6,381,838	0
Missouri Crime Prevention Information and Programming Fund	10,032	11,004	12,539	6,458	0
Missouri Disaster Fund	7,021	7,171	1,674	59,556	231,525
Missouri Horse Racing Fund	0	0	0	69	9
Missouri Housing Trust Fund	6,000,234	5,987,387	5,259,163	3,972,815	4,255,307
Missouri Humanities Council Trust Fund	1,894,415	1,862,715	1,818,205	1,469,871	533,134
Missouri Job Development Fund	2,899,054	1,547,817	146,545	1,459,977	2,516,319
Missouri Lead Abatement Loan Fund	279,565	274,848	N/A	N/A	N/A
Missouri Main Street Program Fund	3,450	4,177	4,177	4,177	141,582
Missouri National Guard Training Site Fund	273,402	207,349	107,663	99,878	55,443
Missouri National Guard Trust Fund	2,790,984	2,838,401	3,360,144	3,583,921	3,589,693
Missouri Office of Prosecution Services Fund	418,245	303,091	164,422	64,200	69,460
Missouri Office of Prosecution Services Revolving Fund	22,639	35,891	40,009	23,100	5,680
Missouri Prospective Teachers Loan Fund	22,522	22,158	20,109	16,259	16,260
Missouri Public Health Services Fund	1,200,389	588,382	107,118	306,295	363,887
Missouri Public Television Broadcasting Corporation Special Fund	0	0	0	216,419	0
Missouri Qualified Fuel Ethanol Producer Incentive Fund	0	0	0	0	65,741
Missouri Real Estate Commission Fund	4,571,025	4,290,189	3,450,336	3,244,715	2,982,063

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Missouri Senior Rx Fund	3,590,428	1,873,708	2,198,984	N/A	N/A
Missouri State Employees' Deferred Compensation					
Incentive Plan Administration Fund	940	940	962	(636)	0
Missouri Student Grant Program Gift Fund	0	0	0	0	38,894
Missouri Supplemental Tax Increment Financing Fund	0	46,284	0	0	0
Missouri Technology Investment Fund	93,629	4,767	5,778	22,765	1,279,939
Missouri Veterans Commission - Federal Fund	572,273	894,320	757,111	249,269	614,857
Missouri Veterans Homes Fund	1,593,988	472,920	27,816	941,428	1,276,601
Missouri Water Development Fund	0	0	0	0	0
Missouri Wine Marketing and Research Development Fund	0	96	0	32	0
Motor Fuel Tax Fund	2,256,189	1,529,794	674,534	2,104,108	7,497,927
Motor Vehicle Commission Fund	2,025,639	2,075,294	1,918,611	1,788,174	1,657,328
Motorcycle Safety Trust Fund	166,302	183,105	2,537	284	4,132
Multimodal Operations Federal Fund	649,430	430,004	789,464	587,638	397,921
National Endowment for the Humanities -					
Save America's Treasures Fund	0	0	0	N/A	N/A
Natural Resources Protection Fund	1,540,814	592,715	595,253	581,448	559,943
Natural Resources Protection Fund - Air Pollution					
Asbestos Fee Subaccount Fund	579,097	764,459	870,076	1,005,211	942,537
Natural Resources Protection Fund - Air Pollution					
Permit Fee Subaccount Fund	9,551,141	9,984,206	10,375,446	12,180,479	14,196,181
Natural Resources Protection Fund - Water Pollution					
Permit Fee Subaccount Fund	11,411,156	10,860,096	12,225,233	11,741,569	9,985,295
Nursing Facility Federal Reimbursement Allowance Fund	9,941,843	7,062,371	6,478,933	5,216,824	2,521,129
Nursing Facility Quality of Care Fund	1,446,719	1,962,036	1,920,164	1,793,330	2,404,634
Office of Administration - Federal and Other Fund	260,478	224,568	236,802	325,238	395,984
Office of the State Public Defender - Federal and Other Fund	19,906	19,906	19,909	19,909	19,909
Oil and Gas Remedial Fund	35,058	14,488	14,488	14,488	14,488
Optometry Fund	264,812	349,392	217,297	202,748	164,913
Organ Donor Program Fund	720,613	866,581	922,520	894,291	861,766
Organic Production and Certification Fee Fund	7,233	N/A	N/A	N/A	N/A
Outstanding Schools Trust Fund	262,365	252,532	68,882,571	155,180,181	242,235,465
Pansey Johnson-Travis Memorial State Gardens Trust Fund	21,036	19,384	17,625	15,707	12,821
Pansey Johnson-Travis Stocks and Securities Trust Fund	N/A-1	N/A-1	N/A-1	N/A-1	N/A-1
Peace Officers Standards and Training Commission Fund	1,362,409	1,310,393	1,281,707	1,196,827	1,292,253
Petition Audit Revolving Trust Fund	336,321	234,426	427,704	608,879	567,682
Petroleum Inspection Fund	2,564,898	2,499,993	2,457,796	2,066,376	1,450,724
Petroleum Storage Tank Insurance Fund	49,590,136	42,382,355	37,243,220	38,890,913	46,090,200
Petroleum Violation Escrow Fund	8,015	422,332	1,535,494	6,434,343	20,190,215
Petroleum Violation Escrow Interest Subaccount Fund	4	171,367	441,882	2,730	N/A
Pharmacy Rebate Fund	493,140	539,804	12,667,665	1,481,918	233,421
Pharmacy Reimbursement Allowance Fund	556,840	963,342	N/A	N/A	N/A
Post-Closure Fund	400,881	143,253	144,622	142,473	189,657
Premium Fund	592,819	321,072	28,033	23,170	22,438
Professional and Practical Nursing Student Loan					
and Nurse Loan Repayment Fund	552,293	927,965	680,741	987,824	676,511
Professional Registration Fees Fund	273,048	368,765	194,048	485,976	60,842
Property Reuse Fund	1,005,770	1,548,722	3,243,787	4,102,947	3,802,801
Proprietary School Bond Fund	0	0	0	0	0
Public Service Commission Fund	2,665,109	1,593,722	176,944	465,196	2,555,798
Railroad Expense Fund	97,779	184,897	296,609	31,305	79,856
Real Estate Appraisers Fund	1,047,124	522,942	672,291	371,779	612,138
Residential Mortgage Licensing Fund	735,023	706,443	644,271	674,432	577,131
Respiratory Care Practitioners Fund	373,080	309,633	247,552	213,343	149,560
Rural Water and Sewer Loan Revolving Fund	178,058	34,558	N/A	N/A	N/A
Safe Drinking Water Fund	3,040,372	3,110,311	3,447,869	3,829,548	3,798,228

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
School Building Revolving Fund	1,597	7,196,768	5,054,893	3,461,475	1,113,426
School District Bond Fund	96,074	96,074	1,728,542	8,728,542	7,132,397
School District Trust Fund	55,579,367	55,803,019	50,429,925	48,897,468	56,348,298
School for Blind Trust Fund	121,860	178,735	55,564	29,455	41,233
School for Deaf Trust Fund	73,549	73,549	72,452	34,694	5,854
Schools of the Future Fund	0	3,411,329	N/A	N/A	N/A
Second Injury Fund	19,431,797	4,854,698	15,020,514	21,760,262	17,010,892
Secretary of State's Investor Education Fund	338,359	407,547	387,191	232,932	200,986
Secretary of State - Federal Fund	110,184	84,781	30,665	85,389	58,789
Secretary of State - Technology Trust Fund Account Fund	2,868,683	3,004,959	3,343,136	3,294,151	3,149,925
Secretary of State Institutional Gift Trust Fund	0	0	330	261,357	492,064
Secretary of State Records - Federal Fund	209	69	0	0	N/A
Senate Revolving Fund	247	51,141	29,877	56,494	18,194
Services to Victims Fund	4,454,606	3,617,498	3,711,936	3,321,516	3,703,285
Single-Purpose Animal Facilities Loan Program Fund	436,765	504,169	466,473	459,341	395,186
Social Security Contributions Fund	109,504	109,504	110,786	61,784	9,882,847
Soil and Water Sales Tax Fund	20,774,934	18,826,170	20,262,812	20,321,197	14,605,379
Solid Waste Management Fund	12,741,918	13,992,904	12,976,306	13,117,318	11,994,692
Solid Waste Management Fund - Scrap Tire Subaccount Fund	2,471,531	2,690,743	3,819,380	4,149,263	4,718,823
Special Employment Security Fund	3,473,204	3,930,035	4,289,066	6,229,442	5,575,415
Spinal Cord Injury Fund	1,268,187	706,153	144,838	N/A	N/A
State Agency for Surplus Property Fund	244,998	131,476	32,600	504,659	308,197
State Auditor - Federal Fund	567,049	515,639	620,828	593,843	900,132
State Board of Accountancy Fund	1,514,382	1,428,605	1,146,997	1,134,471	1,161,717
State Board of Architects, Engineers and Land Surveyors Fund	1,868,772	1,210,253	442,209	469,844	200,153
State Board of Chiropractic Examiners' Fund	594,805	719,455	312,037	478,744	165,890
State Board of Cosmetology Fund	3,297,264	965,700	2,142,595	1,024,405	1,679,622
State Board of Nursing Fund	6,635,267	6,796,872	3,755,380	3,983,338	340,151
State Board of Podiatry Fund	152,820	88,220	115,001	75,459	114,478
State Committee of Interpreters Fund	67,270	72,257	63,868	39,883	28,340
State Committee of Psychologists Fund	943,174	613,081	824,367	406,025	771,725
State Court Administration Revolving Fund	15,477	3,997	18,695	15,388	9,285
State Document Preservation Fund	1,650	49,680	33,768	50,684	43,010
State Elections Subsidy Fund	198,718	41,304	45,949	7,102	183,767
State Emergency Management - Federal and Other Fund	2,561,128	1,727,796	2,373,633	2,456,800	2,789,695
State Employee Voluntary Life Insurance Fund	0	0	0	0	76,033
State Environmental Improvement and Energy Resources Authority Fund	0	0	0	0	0
State Facility Maintenance and Operation Fund	859,900	949,584	503,999	1,291,599	2,480,354
State Fair Fees Fund	389,710	264,102	163,380	100,658	315,685
State Fair Trust Fund	4,391	4,658	3,408	1,463	1,631
State Forensic Laboratory Fund	40,815	0	54,905	31,821	110,024
State Guaranty Student Loan Fund	0	95	0	0	0
State Highways and Transportation Department Fund	29,750,791	31,087,996	41,661,503	31,064,724	2,516,468
State Institutions Gift Trust Fund	54,513	54,584	55,033	55,472	192,904
State Land Survey Program Fund	1,985,941	1,654,043	1,227,743	1,107,543	1,404,437
State Legal Expense Fund	144	0	2,691	1,794	21,862
State Lottery Fund	208,989	8,972,633	14,879,585	12,690,947	22,969,836
State Milk Inspection Fee Fund	435,063	266,619	203,081	203,055	337,632
State Park Sales Tax Fund	7,427,205	9,024,355	10,622,811	12,663,374	15,559,687
State Parks Earnings Fund	4,136,569	5,368,682	3,665,341	3,617,061	4,589,645
State Parks Revolving Fund	0	0	0	0	523
State Public School Fund	32,430	3,975	13,223	64,859	95,056
State Retirement Contributions Fund	15,537	1,722	95,469	8,124,473	0

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
State Road Fund	389,875,472	362,591,514	329,316,181	253,468,077	127,156,055
State Road Fund - Series A 2000	0	0	0	1,529,058	N/A
State Road Fund - Series A 2001	0	0	0	0	N/A
State Road Fund - Series A 2002	0	0	206,532,181	N/A	N/A
State Road Fund - Series A 2003	0	N/A	N/A	N/A	N/A
State School Money Fund	27,587,763	4,562,586	23,895,756	934,812	53,823,656
State Seminary Fund	175,938	938	0	1,651	1,102
State Seminary Money Fund	9	8	8	8	25,747
State Transportation Assistance Revolving Fund	514,243	521,226	259,160	102,818	505,129
State Transportation Fund	273,495	370,234	310,480	145,061	2,020,018
Statewide Court Automation Fund	65,546	417,174	1,016,171	1,814,858	1,193,445
Statutory County Recorder's Fund	0	0	3,093,001	0	N/A
Statutory Revision Fund	311,847	467,146	403,270	386,966	86,807
Stormwater Control - Series A 1999 - 37H	0	4,104,538	9,092,933	19,399,961	20,530,037
Stormwater Control - Series A 2001 - 37H	10,166,989	10,495,471	10,287,178	10,009,130	0
Stormwater Control - Series A 2002 - 37H	12,690,682	15,208,725	N/A	N/A	N/A
Stormwater Control Bond and Interest Series A 1999	1,497,202	1,519,401	1,560,343	1,604,148	1,557,350
Stormwater Control Bond and Interest Series A 2001	731,619	734,575	745,080	741,514	0
Stormwater Control Bond and Interest Series A 2002	1,006,621	992,295	N/A	N/A	N/A
Stormwater Loan Revolving Fund	1,123,783	636,205	N/A	N/A	N/A
Student Grant Fund	12,068	112,260	53,313	414,586	341,708
Supreme Court - Federal and Other Fund	5,759,932	5,566,367	3,550,254	5,505,976	757,108
Supreme Court Publications Revolving Fund	58,308	252,541	129,938	59,569	78,856
Tattoo Fund	156,302	115,456	N/A	N/A	N/A
Temporary Assistance for Needy Families - Federal Fund	10,737,909	11,490,931	2,529,395	774,573	2,302,232
Third Party Liability Collections Fund	3,597,216	1,946,713	5,289,390	504,633	175,871
Third State Building Bond Interest and Sinking - Series A 1992	0	0	28,668,075	29,291,962	28,641,096
Third State Building Bond Interest and Sinking - Series A 1993	0	16,667,835	16,925,234	15,413,967	16,913,942
Third State Building Bond Interest and Sinking Fund - Series A 2002	35,064,110	31,067,300	N/A	N/A	N/A
Third State Building Bond Interest and Sinking Fund - Series A 2003	12,222,612	N/A	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Series A&B 1991	0	0	7,135,351	9,200,427	9,090,914
Third State Building Fund - Pre Tax Act 1986	0	0	0	0	534,694
Third State Building Trust Fund - Pre Tax Act 1986	135	132	131	113	33,940
Title XIX - Federal Fund	5,661,165	38,237,143	42,623,689	17,400,409	5,685,064
Title XIX - Patient Placement Fund	0	0	0	0	0
Tort Victims Compensation Fund	971,092	4,915,174	4,960,576	7,463,188	7,351,434
Tourism Marketing Fund	8,984	2,273	355	0	1,013
Treasurer's Information Fund	7,119	8,380	9,775	8,857	5,846
U.S. Department of Higher Education / Coordinating Board for Higher Education Interest Account Fund	1,120,659	1,824,375	2,307,530	2,052,239	1,511,025
U.S. Department of Higher Education / Coordinating Board for Higher Education Recall Account Fund	1	1	32,421,670	25,937,336	19,453,002
Uncompensated Care Fund	5,369,908	82,485,906	960,928	1,565,140	8,918,332

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF
"LIST OF BALANCES IN THE SEVERAL FUNDS"

(UNAUDITED)

	June 30,				
	2004	2003	2002	2001	2000
Underground Storage Tank Regulation Program Fund	298,084	266,381	419,669	621,766	594,576
Unemployment Compensation Administration Fund	179,811	168,744	200,747	897,666	814,832
Utilecare Stabilization Fund	21	20	1,180	22,478	20,920
Veterans' Homes Capital Improvement Trust Fund	19,756,755	37,719,826	52,100,054	77,618,885	81,568,365
Veterans Trust Fund	406,707	408,905	489,567	465,478	439,447
Veterinary Medical Board Fund	764,143	627,825	643,691	583,998	730,634
Video Instructional Development and Education Opportunity Fund	167	167	37,667	528,876	98,546
Vocational Rehabilitation - Federal Fund	9,425,231	5,538,569	6,704,120	3,504,723	1,668,080
Water and Waste Water Loan Fund	1,155,195	1,133,796	660,289	1,927,022	418,801
Water and Waste Water Loan Revolving Fund	274,857,960	270,607,303	230,747,665	148,387,528	124,730,837
Water Pollution Control - Series A 1996 - 37C	0	0	0	17,141	297,840
Water Pollution Control - Series A 1996 - 37E	0	0	0	0	10,596
Water Pollution Control - Series A 1998 - 37C	154,945	2,762,634	5,076,361	6,487,796	8,192,710
Water Pollution Control - Series A 1998 - 37E	0	0	1,043,168	12,566,183	22,796,830
Water Pollution Control - Series A 1999 - 37E	0	1,573,903	11,312,471	10,899,785	10,250,685
Water Pollution Control - Series A 1999 - 37G	0	0	5,459,630	10,385,103	10,279,352
Water Pollution Control - Series A 2001 - 37E	7,864,642	10,247,762	10,279,861	9,994,568	0
Water Pollution Control - Series A 2001 - 37G	417,231	8,286,505	10,294,478	10,023,676	0
Water Pollution Control - Series A 2002 - 37E	4,075,487	13,471,473	N/A	N/A	N/A
Water Pollution Control - Series A 2002 - 37G	15,474,409	15,224,444	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series A 1989	0	0	0	0	0
Water Pollution Control Bond and Interest - Series A 1991	0	0	0	1,121,495	1,176,469
Water Pollution Control Bond and Interest - Series A 1992	0	0	2,701,642	2,769,267	2,722,698
Water Pollution Control Bond and Interest - Series A 1993	0	2,142,911	2,178,662	2,228,643	2,191,673
Water Pollution Control Bond and Interest - Series A 1995	1,038,520	1,347,843	2,377,283	2,442,358	2,407,652
Water Pollution Control Bond and Interest - Series A 1996	1,439,639	2,591,893	2,754,573	2,840,519	2,810,748
Water Pollution Control Bond and Interest - Series A 1998	2,469,904	2,501,516	2,572,579	2,663,337	2,644,958
Water Pollution Control Bond and Interest - Series A 2000	1,497,202	1,519,401	1,560,343	1,604,148	1,557,350
Water Pollution Control Bond and Interest - Series A 2001	1,463,555	1,469,399	1,485,492	1,483,154	0
Water Pollution Control Bond and Interest - Series A 2002	2,008,025	1,989,488	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series A 2003	6,070,154	N/A	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B 1992	0	0	5,095,923	5,118,806	5,136,928
Water Pollution Control Bond and Interest - Series B 1993	0	11,239,131	11,386,806	9,584,721	9,940,292
Water Pollution Control Bond and Interest - Series B 2002	12,728,131	8,015,104	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B&C 1991	0	0	3,330,783	4,378,930	4,332,303
Wolfner Library Trust Fund	184,245	218,365	211,520	204,201	568,199
Workers' Compensation Fund	39,635,984	9,585,811	5,946,117	20,643,132	33,004,325
Workers Memorial Fund	269	264	258	250	N/A
Working Capital Revolving Fund	9,891,965	10,126,901	9,299,081	7,826,273	5,553,282
World War II Memorial Trust Fund	51,182	36,442	22,745	10,649	N/A
Youth Services and Conservation Corps Fund	0	0	0	0	0
Total All Funds (Schedule 3)	\$ 2,882,494,982	2,771,340,651	2,905,024,889	2,936,493,487	3,089,659,693

N/A These funds were closed or had not been created for the years indicated.

N/A-1 The assets of the Pansey Johnson-Travis Stocks and Securities Trust Fund were reclassified from cash to investments as a result of a change in the state's accounting system. This fund is no longer maintained by the State Treasurer on the cash activity reports.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 5

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF TRUST ACCOUNTS

	June 30,									
	2004		2003		2002		2001		2000	
	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested
220 South Jefferson	\$									
Construction Fund	0	0	0	0	101,366	101,253	17,786	17,785	N/A	N/A
Board of Public Buildings 2001A										
Cost of Issuance Fund	0	0	0	0	25,200	25,172	24,555	24,554	N/A	N/A
Principal and Interest Fund	0	0	0	0	4,662	4,657	1,014,494	1,014,479	N/A	N/A
Capitol East Parking Facility										
Operating Reserve Fund	N/A	N/A	N/A	N/A	N/A	N/A	0	0	7,154	7,154
Corrections and Mental Health										
Construction Fund	0	0	0	0	148,935	148,769	145,139	145,137	137,086	137,082
Department of Natural Resources Building										
Construction Fund	6,648,730	6,645,771	17,776,780	17,769,801	18,454,428	18,433,828	17,994,647	17,994,386	N/A	N/A
Jefferson City Correctional Center										
Construction Fund	15,451,872	15,444,995	59,530,681	59,507,313	121,629,975	121,494,208	127,257,402	127,255,554	N/A	N/A
Kirkpatrick State Information Center										
Construction Fund	0	0	0	0	49,647	49,591	48,381	48,381	45,697	45,695
Old Age, Survivors, Disability, and										
Health Insurance Trust Fund	12,315,726	0	3,741	0	4,068	0	16,757	0	4,161	0
Special Obligation Refunding Bond -										
Principal and Interest Fund	N/A	N/A	N/A	N/A	0	0	408,707	408,701	350,352	350,341
Depreciation and Replacement Fund	1,012,197	1,011,747	1,019,704	1,019,303	1,058,884	1,057,702	7,412,060	7,411,952	7,293,286	7,293,055
Bond Reserve Fund	N/A	N/A	N/A	N/A	0	0	105,889	105,888	105,794	105,790
State Building Special Obligation Bond 1988										
Arbitrage Rebate Escrow Fund	0	0	0	0	138,122	137,968	134,602	134,600	127,133	127,129
Arbitrage Owed to IRS Escrow	0	0	0	0	8,750	8,740	8,527	8,527	8,054	8,054
Western Missouri Mental Health Center										
Construction Fund	332,085	331,937	5,634,743	5,632,531	20,316,913	20,294,234	21,350,433	21,350,123	N/A	N/A
Total Trust Accounts (Schedule 3) \$	<u>35,760,610</u>	<u>23,434,450</u>	<u>83,965,649</u>	<u>83,928,948</u>	<u>161,940,950</u>	<u>161,756,122</u>	<u>175,939,379</u>	<u>175,920,067</u>	<u>8,078,717</u>	<u>8,074,300</u>

N/A These accounts were closed for the indicated fiscal years.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 6

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS
AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	2004	2003	2002	2001	2000
INTEREST RECEIPTS					
General and special funds	\$ 47,232,272	63,246,903	101,099,069	160,519,961	167,054,476
Debt retirement funds	1,684,923	2,320,783	4,176,019	6,938,831	5,518,366
Total Appropriated Funds	48,917,195	65,567,686	105,275,088	167,458,792	172,572,842
Trust funds	754,646	2,290,124	4,444,474	1,657,889	774,564
Total Interest Receipts	\$ 49,671,841	67,857,810	109,719,562	169,116,681	173,347,406
INTEREST DISTRIBUTION					
General and special funds:					
Budget Reserve Fund	\$ 6,556,307	8,410,650	13,533,611	8,498,480	N/A
General Revenue Fund	15,913,251	20,944,567	37,890,915	56,485,522	68,698,776
Budget Stabilization Fund	N/A	N/A	N/A	7,185,122	7,648,358
Cash Operating Reserve - General Revenue Fund	N/A	N/A	N/A	3,671,128	15,732,796
Abandoned Mine Reclamation Fund	17,078	23,622	34,037	43,212	37,033
Advantage Missouri Trust Fund	N/A	N/A	N/A	N/A	4
Agriculture Development Fund	874	1,396	1,639	2,481	1,950
Agriculture Product Utilization and Business Development Loan Guarantee Fund	4	N/A	N/A	N/A	N/A
Agricultural Product Utilization Business Development Loan Guarantee Fund	0	0	1	42	512
Agricultural Product Utilization Grant Fund	3	538	2,814	13,983	24,189
Alternative Care Trust Fund	54,936	74,005	85,106	120,348	98,451
Animal Health Laboratory Fee Fund	2,709	5,115	9,997	15,295	12,410
Antiterrorism Fund	3	N/A	N/A	N/A	N/A
Arrow Rock State Historic Site Endowment Fund	382	312	N/A	N/A	N/A
Assistive Technology Loan Revolving Fund	25,420	24,843	29,296	4,704	N/A
Aviation Trust Fund	43,570	125,754	307,954	413,236	193,313
Basic Civil Legal Services Fund	1,901	N/A	N/A	N/A	NA
Bingo Proceeds for Education Fund	86,838	143,210	227,365	398,335	455,212
Biodiesel Fuel Revolving Fund	830	39	N/A	N/A	N/A
BPB-Series A 2003 Bond Proceeds-Project Fund	2,721,905	226,041	N/A	N/A	N/A
BPB-Series A 2003 Bond Proceeds-Notes Fund	15,961	24,360	N/A	N/A	N/A
Champ W. Smith & Mary C. Smith Memorial Endowment Trust Fund	6,588	10,120	15,588	24,679	21,750
Chemical Emergency Preparedness Fund	7,800	9,358	18,532	33,753	34,255
Children's Trust Fund	57,444	89,140	160,076	269,732	226,783
Coal Mine Land Reclamation Fund	13,474	20,091	32,861	52,498	46,677
Concentrated Animal Feeding Operation Indemnity Fund	3,914	4,766	5,909	7,719	4,007
Confederate Memorial Park Fund	2,390	3,361	4,891	7,508	6,609
Conservation Commission Fund	587,937	740,556	899,665	1,835,420	1,863,046
Correctional Substance Abuse Earnings Fund	6,634	7,227	7,192	6,499	1,774
Crime Victims' Compensation Fund	132,074	180,673	297,949	504,776	457,167
Deaf Relay Service Fund	74,072	149,181	278,673	445,269	383,614
Debt Offset Escrow Fund	140,865	449,181	648,907	694,473	347,290
Department of Insurance Dedicated Fund	148,073	282,629	379,687	573,653	505,799
Department of Labor and Industrial Relations - Administrative Fund	21,811	51,084	92,489	81,798	N/A
Department of Public Safety - JAIBG Fund	95,996	163,821	217,438	410,141	268,805
Division of Credit Unions Fund	6,397	11,108	20,917	32,580	27,169
Division of Finance Fund	27,945	36,178	68,747	149,242	174,099
Division of Savings and Loan Supervision Fund	2,299	2,377	2,103	2,736	2,959
Doctor Edmund A. Babler Memorial - State Park Fund	13,112	19,206	31,889	55,850	53,063
Dry-Cleaning Environmental Response Trust Fund	27,883	24,160	11,485	1,190	N/A
Early Childhood Development, Education and Care Fund	169,001	713,560	1,668,336	2,544,431	1,393,287
Election Administration Improvement Fund	260,504	8,993	N/A	N/A	N/A
Endowed Care Cemetery Audit Fund	4,919	6,956	8,383	13,403	13,168

Schedule 6

OFFICE OF STATE TREASURER
 COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS
 AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	2004	2003	2002	2001	2000
Energy Set-Aside Program Fund	349,967	551,680	748,130	793,938	918,409
Escheats Fund	793	95,208	242,347	370,242	328,536
Excellence in Education Fund	27,075	33,818	42,283	66,740	68,469
Facilities Maintenance Reserve Fund	30,610	157,866	1,013,785	2,082,512	819,689
Federal Drug Seizure Fund	18,348	36,678	103,164	234,053	210,737
Federal Reimbursement Allowance Fund	480,446	471,687	934,398	1,971,467	2,546,242
Federal Student Loan Reserve Fund	366,267	559,749	1,016,326	2,026,473	1,256,553
Federal Surplus Property Fund	34,608	43,946	62,970	102,018	101,589
Fourth State Building - Series A 1998	155,788	231,247	556,053	1,215,143	1,090,474
Gaming Commission Bingo Fund	N/A	N/A	N/A	1,221	7,366
Gaming Commission Fund	89,704	138,005	208,264	454,173	893,425
Gaming Proceeds for Education Fund	186,245	268,065	376,332	516,975	449,122
GEAR-UP Scholarship Fund	38,780	31,221	6,930	N/A	N/A
Grain Inspection Fees Fund	9,188	12,387	15,424	26,362	29,528
Guaranty Agency Operating Fund	217,403	208,123	281,392	496,423	410,701
Hazardous Waste Fund	15,180	25,510	37,830	53,787	35,812
Hazardous Waste Remedial Fund	54,879	73,214	103,944	191,943	230,387
Historic Preservation Revolving Fund	14,805	26,117	46,654	36,726	31,123
Kid's Chance Scholarship Fund	4,110	4,260	4,737	4,517	1,193
Legal Defense and Defender Fund	6,540	7,593	10,121	23,044	24,304
Legal Services for Low Income People Fund	2,681	15,551	2,450	N/A	N/A
Library Networking Fund	3,265	3,645	7,660	38,340	26,789
Livestock Dealer Law Enforcement and Administration Fund	4	9	37	287	294
Mental Health Earnings Fund	5,332	13,698	27,570	45,890	46,258
Mental Health Housing Trust Fund	83	121	176	270	237
Mental Health Trust Fund	111,855	147,160	181,740	302,079	272,979
Meramec-Onondaga State Parks Fund	18,156	25,970	38,567	60,295	53,940
Metallic Minerals Waste Management Fund	2,179	3,877	7,553	12,329	11,845
Mined Land Reclamation Fund	56,274	90,151	141,946	233,742	215,966
Missouri Air Emission Reduction Fund	51,047	61,492	69,458	47,568	408
Missouri Air Pollution Control Fund	1,817	2,158	4,156	40,029	70,065
Missouri Alternative Fuel Vehicle Loan Fund	1,619	6,237	26	N/A	N/A
Missouri Arts Council Trust Fund	160,226	253,853	382,844	721,500	680,943
Missouri Breeders Fund	1,431	2,013	2,932	4,583	4,175
Missouri CASA Fund	815	1,556	336	N/A	N/A
Missouri Children's Service Commission Fund	233	414	627	1,016	899
Missouri College Guarantee Fund	31,267	40,739	139,190	521,411	272,549
Missouri Horse Racing Fund	N/A	N/A	N/A	0	9
Missouri Housing Trust Fund	61,156	72,666	104,443	144,045	160,474
Missouri Humanities Council Trust Fund	32,046	44,963	59,225	71,314	48,541
Missouri Lead Abatement Loan Fund	4,718	3,965	N/A	N/A	N/A
Missouri National Guard Trust Fund	55,684	95,484	155,327	256,369	148,916
Missouri Office of Prosecution Services Fund	5,579	4,454	2,568	3,935	2,511
Missouri Prospective Teachers Loan Fund	385	2,049	3,851	N/A	N/A
Missouri Veterans Homes Fund	42,249	41,051	53,537	78,750	98,118
Motor Fuel Tax Fund	354,234	422,880	947,280	1,446,659	1,713,277
Natural Resources Protection Fund	21,772	14,819	21,787	34,067	28,387
Natural Resources Protection Fund - Air Pollution Asbestos Fee Subaccount Fund	11,449	20,506	34,412	66,463	68,139
Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	136,485	217,541	402,454	723,396	811,157
Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	203,528	299,203	449,147	603,981	534,938
Nursing Facility Federal Reimbursement Allowance Fund	154,866	187,063	244,640	425,618	399,036

Schedule 6

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS
AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	2004	2003	2002	2001	2000
Nursing Facility Quality of Care Fund	36,461	52,026	86,632	138,287	112,611
Outstanding Schools Trust Fund	68,202	690,245	4,236,051	11,922,416	15,741,639
Pansey Johnson-Travis Memorial State Gardens Trust Fund	1,652	1,759	606	1,574	30,576
Peace Officers Standards and Training Commission Fund	17,865	23,746	27,559	51,502	55,144
Petroleum Inspection Fund	46,573	64,033	88,789	138,571	77,526
Petroleum Storage Tank Insurance Fund	783,608	977,800	1,459,919	2,654,173	2,993,555
Petroleum Violation Escrow Fund	4,432	26,423	265,764	1,153,353	1,154,344
Petroleum Violation Escrow Interest Subaccount Fund	2,422	8,912	14,785	N/A	N/A
Pharmacy Rebate Fund	73,463	297,956	2,492	N/A	0
Pharmacy Reimbursement Allowance Fund	133,687	88,723	N/A	N/A	N/A
Post-Closure Fund	4,847	3,544	5,344	9,895	13,428
Property Reuse Fund	23,805	46,101	142,276	231,002	184,427
Residential Mortgage Licensing Fund	12,544	17,423	26,463	37,204	29,486
Rural Water and Sewer Loan Revolving Fund	1,429	6	N/A	N/A	N/A
Safe Drinking Water Fund	57,187	91,586	148,727	245,459	219,729
School Building Revolving Fund	48,504	149,274	139,197	96,233	32,909
School District Trust Fund	901,178	1,247,330	1,872,649	2,969,719	2,679,222
Schools of the Future Fund	25,747	497,302	N/A	N/A	N/A
Second Injury Fund	204,847	290,316	781,918	1,120,103	700,762
Secretary of State Institutional Gift Trust Fund	0	157	7,680	25,035	37,454
Secretary of State - Technology Trust Fund Account Fund	50,961	77,177	124,363	202,991	145,813
Single-Purpose Animal Facilities Loan Program Fund	8,243	12,008	17,297	24,508	21,292
Soil and Water Sales Tax Fund	381,281	543,982	839,925	1,108,203	840,181
State Document Preservation Fund	649	768	1,356	2,618	2,209
State Fair Fees Fund	5,055	4,625	7,083	10,546	N/A
State Guaranty Student Loan Fund	N/A	N/A	N/A	N/A	865,524
State Highways and Transportation Department Fund	895,518	1,339,765	1,829,289	2,134,368	1,457,149
State Lottery Fund	224,722	345,258	677,913	1,315,167	1,344,455
State Park Sales Tax Fund	164,954	273,934	483,530	938,113	971,069
State Public School Fund	7	428,988	N/A	N/A	N/A
State Road Fund	4,619,791	8,499,258	7,146,017	5,406,237	5,213,566
State Road Fund - Series A 2000	0	0	2,758	5,559,632	N/A
State Road Fund - Series A 2001	0	0	662,661	N/A	N/A
State Road Fund - Series A 2002	0	421,966	60,332	N/A	N/A
State Road Fund - Series A 2003	876,167	N/A	N/A	N/A	N/A
State School Money Fund	221,094	475,671	N/A	N/A	N/A
State Seminary Money Fund	190,380	209,267	N/A	N/A	N/A
State Transportation Assistance Revolving Fund	9,846	8,692	8,930	32,603	64,185
Stormwater Control - Series A 1999 - 37H	38,447	169,851	664,794	1,263,401	549,027
Stormwater Control - Series A 2001 - 37H	176,518	208,293	278,048	264	N/A
Stormwater Control - Series A 2002 - 37H	244,442	174,417	N/A	N/A	N/A
Stormwater Loan Revolving Fund	11,730	116	N/A	N/A	N/A
Third State Building Fund - Pre Tax Act 1986	N/A	N/A	N/A	18,160	50,402
Third State Building Trust Fund - Pre Tax Act 1986	3	0	N/A	N/A	N/A
U.S. Department of Higher Education / Coordinating Board for Higher Education Interest Account Fund	29,675	329,395	1,097,593	1,315,570	856,960
Utilecare Stabilization Fund	2	539	6,089	14,681	15,189
Veterans' Homes Capital Improvement Trust Fund	571,883	1,214,113	2,776,797	4,929,627	4,395,379
Veterans Trust Fund	6,711	11,075	17,036	25,965	22,401
Water and Waste Water Loan Fund	29,782	30,826	64,253	100,155	95,765
Water and Waste Water Loan Revolving Fund	4,253,465	4,577,087	6,175,490	9,285,088	8,264,904

Schedule 6

OFFICE OF STATE TREASURER
 COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS
 AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	2004	2003	2002	2001	2000
Water Pollution Control - Series A 1996 - 37C	N/A	N/A	N/A	17,337	123,837
Water Pollution Control - Series A 1996 - 37E	N/A	N/A	N/A	692	27,055
Water Pollution Control - Series A 1998 - 37C	31,641	94,155	235,795	503,606	394,257
Water Pollution Control - Series A 1998 - 37E	0	18,185	376,239	1,330,702	1,327,699
Water Pollution Control - Series A 1999 - 37E	9,041	197,575	412,686	647,581	274,217
Water Pollution Control - Series A 1999 - 37G	0	74,166	351,272	646,705	274,810
Water Pollution Control - Series A 2001 - 37E	148,437	207,561	285,293	475	N/A
Water Pollution Control - Series A 2001 - 37G	98,061	209,998	270,802	53	N/A
Water Pollution Control - Series A 2002 - 37E	190,329	172,601	N/A	N/A	N/A
Water Pollution Control - Series A 2002 - 37G	249,965	174,588	N/A	N/A	N/A
Wolfner Library Trust Fund	3,727	5,257	7,850	15,742	30,941
Workers' Compensation Fund	154,312	100,581	618,767	1,723,560	1,504,544
Workers Memorial Fund	4	7	8	0	N/A
World War II Memorial Trust Fund	701	656	477	154	N/A
Total General and Special Funds	<u>47,232,272</u>	<u>63,246,903</u>	<u>101,099,069</u>	<u>160,519,961</u>	<u>167,054,476</u>
Debt retirement funds:					
Fourth State Building Bond and Interest - Series A 1995	54,969	114,298	225,429	381,556	297,005
Fourth State Building Bond and Interest - Series A 1996	104,328	195,237	373,351	637,840	497,128
Fourth State Building Bond and Interest - Series A 1998	58,287	73,897	141,941	242,752	188,227
Fourth State Building Bond and Interest - Series A 2002	124,673	89,835	N/A	N/A	N/A
Stormwater Control Bond and Interest- Series A 1999	24,901	31,450	59,602	97,635	42,222
Stormwater Control Bond and Interest- Series A 2001	11,999	14,955	20,660	42	N/A
Stormwater Control Bond and Interest - Series A 2002	16,408	11,432	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Series A 1992	0	241,569	1,087,655	1,839,931	1,424,450
Third State Building Bond Interest and Sinking - Series A 1993	63,753	340,258	614,104	1,007,339	840,599
Third State Building Bond Interest and Sinking - Series A 2002	554,360	418,881	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Series A 2003	167,936	N/A	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Series A&B 1991	0	56,735	315,069	547,936	503,752
Water Pollution Control Bond and Interest - Series A 1991	0	0	7,717	72,971	79,122
Water Pollution Control Bond and Interest - Series A 1992	0	22,871	102,279	173,496	134,233
Water Pollution Control Bond and Interest - Series A 1993	3,579	43,745	82,412	139,759	108,219
Water Pollution Control Bond and Interest - Series A 1995	22,020	45,717	90,100	152,831	118,834
Water Pollution Control Bond and Interest - Series A 1996	29,208	54,691	104,513	178,303	139,016
Water Pollution Control Bond and Interest - Series A 1998	40,760	51,792	99,373	169,973	131,843
Water Pollution Control Bond and Interest - Series A 2000	24,901	31,450	59,602	97,635	42,222

Schedule 6

OFFICE OF STATE TREASURER
 COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS
 AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	2004	2003	2002	2001	2000
Water Pollution Control Bond and Interest - Series A 2001	23,992	29,837	41,530	84	N/A
Water Pollution Control Bond and Interest - Series A 2002	32,731	22,894	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series A 2003	94,641	N/A	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B 1992	0	43,336	200,753	324,285	255,383
Water Pollution Control Bond and Interest - Series B 1993	42,943	229,098	400,429	611,952	475,490
Water Pollution Control Bond and Interest - Series B 2002	188,534	130,292	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B&C 1991	0	26,513	149,500	262,511	240,621
Total Debt Retirement Funds	<u>1,684,923</u>	<u>2,320,783</u>	<u>4,176,019</u>	<u>6,938,831</u>	<u>5,518,366</u>
Total Appropriated Funds	<u>48,917,195</u>	<u>65,567,686</u>	<u>105,275,088</u>	<u>167,458,792</u>	<u>172,572,842</u>
Trust funds:					
220 South Jefferson Construction Fund	0	1,222	1,447	17,786	N/A
Board of Public Buildings 2001A Cost of Issuance Fund	0	304	645	479	N/A
Principal and Interest Fund	0	69	14,297	7,931	N/A
Capitol East Parking Facility Depreciation and Capitol East Parking Facility Operating Reserve Fund	N/A	N/A	N/A	145	392
Corrections and Mental Health Construction Fund	0	1,797	3,796	8,099	7,507
Department of Natural Resources Building Construction Fund	180,158	316,633	470,497	84,648	N/A
Jefferson City Correctional Center Construction Fund	512,425	1,677,453	3,287,211	597,402	N/A
Kirkpatrick State Information Center Construction Fund	0	599	1,265	2,700	2,502
Special Obligation Refunding Bond - Bond Reserve Fund	0	0	720	5,923	5,794
Special Obligation Refunding Bond - Depreciation and Replacement Fund	12,197	19,704	111,842	414,396	400,615
Special Obligation Refunding Bond - Principal and Interest Fund	0	0	1,369	409,960	350,352
State Building Special Obligation Bond 1988 Arbitrage Rebate Escrow Fund	0	1,667	3,520	7,511	6,961
Arbitrage Owed to IRS Escrow	0	106	223	476	441
Western Missouri Mental Health Center Construction Fund	49,866	270,570	547,642	100,433	N/A
Total Trust Funds	<u>754,646</u>	<u>2,290,124</u>	<u>4,444,474</u>	<u>1,657,889</u>	<u>774,564</u>
Total Distribution	<u>\$ 49,671,841</u>	<u>67,857,810</u>	<u>109,719,562</u>	<u>169,116,681</u>	<u>173,347,406</u>

N/A These funds did not receive interest for the years indicated due to the fund not being established at the time, or due to the lack of legislation that would require the interest to remain in the fund.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 7

OFFICE OF STATE TREASURER
ANALYSIS OF INVESTMENTS
APPROPRIATED FUNDS

	Year Ended June 30,									
	2004		2003		2002		2001		2000	
	Average Daily Balances	Investment Earnings	Average Daily Balances	Investment Earnings	Average Daily Balances	Investment Earnings	Average Daily Balances	Investment Earnings	Average Daily Balances	Investment Earnings
INVESTMENTS										
Pooled Investments:										
Time deposits	\$ 350,436,069	4,068,260	341,494,579	7,801,288	408,273,116	21,895,420	502,012,599	26,056,824	436,504,326	17,530,732
U.S. government securities, commercial paper, and repurchase agreements	2,617,267,155	44,436,494	2,383,178,899	56,651,358	2,522,221,206	83,379,668	2,318,385,855	141,401,968	2,793,120,677	155,042,110
Total Pooled Investments	<u>2,967,703,224</u>	<u>48,504,754</u>	<u>2,724,673,478</u>	<u>64,452,646</u>	<u>2,930,494,322</u>	<u>105,275,088</u>	<u>2,820,398,454</u>	<u>167,458,792</u>	<u>3,229,625,003</u>	<u>172,572,842</u>
Special Fund Direct Investments:										
U.S. government securities	19,628,170	221,094	17,376,642	475,671	17,376,642	837,121	16,500,809	826,368	15,682,796	956,269
Donated corporate stock	5,130	624	5,130	624	5,130	624	5,130	624	5,130	581
Total Special Fund Direct Investments	<u>19,633,300</u>	<u>221,718</u>	<u>17,381,772</u>	<u>476,295</u>	<u>17,381,772</u>	<u>837,745</u>	<u>16,505,939</u>	<u>826,992</u>	<u>15,687,926</u>	<u>956,850</u>
Total Invested Balance	<u>\$ 2,987,336,524</u>	<u>48,726,472</u>	<u>2,742,055,250</u>	<u>64,928,941</u>	<u>2,947,876,094</u>	<u>106,112,833</u>	<u>2,836,904,393</u>	<u>168,285,784</u>	<u>3,245,312,929</u>	<u>173,529,692</u>
Total fund balance excluding collection, concentration, and restricted balance accounts	\$ 2,883,043,397		2,635,564,471		2,854,064,765		2,680,383,903		3,113,762,871	
Collection and concentration accounts	3,522,411		3,446,569		3,468,538		558,047		1,614,720	
Restricted balance accounts	<u>96,087,123</u>		<u>72,299,548</u>		<u>33,314,055</u>		<u>19,112,493</u>		<u>15,080,383</u>	
Total Fund Balance Including Collection, Concentration, and Restricted Balance Accounts	<u>\$ 2,982,652,931</u>		<u>2,711,310,588</u>		<u>2,890,847,358</u>		<u>2,700,054,443</u>		<u>3,130,457,974</u>	
PERCENTAGE OF FUND BALANCE IN INVESTMENTS										
Excluding collection, concentration, and restricted balance accounts	103.62%		104.04%		103.29%		105.84%		104.22%	
Including collection, concentration, and restricted balance accounts	100.16%		101.13%		101.97%		105.07%		103.67%	
INVESTMENT YIELD										
Time deposits		1.16%		2.28%		5.36%		5.19%		4.02%
U.S. government securities, commercial paper, and repurchase agreements		1.69%		2.38%		3.32%		6.09%		5.55%
Donated corporate stock investments		12.16%		12.16%		12.16%		12.16%		11.33%
Average investment yield		1.63%		2.37%		3.60%		5.93%		5.35%

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Notes to the Financial Statements and Supplementary Data

OFFICE OF STATE TREASURER
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present only selected data for each fund of the Office of State Treasurer.

Receipts, disbursements, and changes in cash and investments are presented in Exhibit A for the Abandoned Fund Account Fund, Central Check Mailing Service Revolving Fund, and Treasurer's Information Fund. Appropriations from these funds are expended by or for the office for restricted purposes.

Appropriations, presented in Exhibit B, are not separate accounting entities. They do not record the assets, liabilities, and equity or other balances of the related funds but are used only to account for and control the office's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the office and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The Statement of Receipts, Disbursements, and Changes in Cash and Investments, Exhibit A, prepared on the cash basis of accounting, presents amounts when they are received or disbursed.

The Statement of Appropriations and Expenditures, Exhibit B, is presented on the state's legal budgetary basis of accounting. Expenditures generally consist of amounts paid by June 30, with no provision for lapse period expenditures unless the Office of Administration approves an exception. Amounts encumbered at June 30 must be either canceled or paid from the next year's appropriations.

However, the General Assembly may authorize continuous (biennial) appropriations, for which the unexpended balances at June 30 of the first year of the 2-year period are re-appropriated for expenditure during the second year. Therefore, such appropriations have no lapsed balances at the end of the first year.

The cash basis of accounting and the budgetary basis of accounting differ from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The office administers transactions in the funds listed below. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

Abandoned Fund Account Fund: This fund receives monies from banking or financial institutions, business associations, insurance corporations, utilities, courts and other governmental entities, and proceeds from the sale of abandoned property representing abandoned or unclaimed funds.

This fund is established and governed under Section 447.543.2, RSMo 2000. Under Sections 447.500 through 447.595, RSMo 2000 and Cumulative Supp. 2004, various financial, business, and governmental entities, unless otherwise exempted, are to remit to the State Treasurer all funds which have been presumed abandoned or unclaimed for the required dormancy period, less any reasonable costs of complying with the law incurred during the required notification or reporting process. The State Treasurer is to deposit these funds in the Abandoned Fund Account Fund. Claims may be filed at any time and are paid upon proof of an approved claim. At any time when the balance of the fund exceeds one-twelfth of the previous fiscal year's total disbursements from the Abandoned Fund Account Fund, the State Treasurer may, and at least once every fiscal year shall, transfer to the state's General Revenue Fund the balance of the Abandoned Fund Account Fund which exceeds one-twelfth of the previous fiscal year's total disbursements from the Abandoned Fund Account Fund. If any claim or refund reduces the balance of the fund to less than one-twenty-fourth of the previous year's total disbursements from the Abandoned Fund Account Fund, the State Treasurer shall transfer from the state's General Revenue Fund an amount which is sufficient to restore the balance to one-twelfth of the previous fiscal year's total disbursements. Appropriations from this fund authorize disbursements for the payment of claims of abandoned funds.

Central Check Mailing Service Revolving Fund: The office receives appropriations from this fund and maintains a proprietary interest in the fund. The State Treasurer is administrator and custodian of the fund and receives funds paid or transferred to the office by state agencies for centralized check mailing services. Appropriations from the fund are used for check mailing service expenses.

Treasurer's Information Fund: The office receives appropriations from this fund and maintains a proprietary interest in the fund. This fund, established by Section 30.610, RSMo 2000, may receive monies from governmental entities or the general public for the preparation, reproduction, or dissemination of information or publications of the State Treasurer. In addition, beginning in Fiscal Year 2005 this fund also receives fees billed to the Missouri Department of Transportation for activities related to investing and managing the funds of the agency. Appropriations from this fund shall be used to pay for personal service, equipment and other expenses of the office necessary for the preparation, reproduction, or dissemination of information or publications of the State Treasurer. Beginning in Fiscal Year 2005, appropriations from this fund shall also be used for activities related to investing and managing the funds of the Missouri Department of Transportation.

General Revenue Fund-State: The Office of State Treasurer receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are used for the basic operation of the office, including those programs and services that have no other funding source. These appropriations also may be used to initially fund, or to provide matching funds or support for, programs paid wholly or partially from other sources.

State Highways and Transportation Department Fund: The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are to be used for that portion of the basic operation of the office which relates to the administration of highway department funds. Beginning in Fiscal Year 2005, the office no longer receives appropriations from this fund. Instead, activities previously paid for from this fund will be paid from the Treasurer's Information Fund, as noted above.

Second Injury Fund: The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are to be used for that portion of basic operations which relate to the administration of Second Injury Fund claims.

D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's health care, optional life insurance, cafeteria, and deferred compensation and deferred compensation incentive plans. The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. The deferred compensation plan involves employee payroll deferrals and the deferred compensation incentive plan a state contribution for each employee who participates in the deferred compensation plan and has been employed by the state for at least 1 year.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement, basic life insurance, and long-term disability benefits); social security and medicare taxes; health care premiums; and the deferred compensation incentive amount.

Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statements at Exhibit B.

2. Cash and Investments

The balances of the Central Check Mailing Service Revolving Fund, Abandoned Fund Account Fund, and Treasurer's Information Fund are pooled with other state funds and invested by the state treasurer.

Notes to the Supplementary Data:

3. General Capital Assets

General capital assets are recorded at cost in the general capital assets account. General capital assets are depreciated on a straight-line basis using various useful life classifications and a salvage value of zero. Accumulated depreciation on general capital assets at June 30, 2004, was \$678,000.

4. Basis of Presentation

The amounts presented in Schedules 3 through 7 represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subjected to appropriation; trust funds are not. The schedules do not include any funds or investments that are not in the custody of the State Treasurer.

5. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than five years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency and in commercial paper, issued by domestic corporations, which has received

the highest rating issued by a nationally recognized rating agency. Investments in banker's acceptances and commercial paper shall mature and become payable not more than ninety days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy which shall include an asset allocation plan limiting the total amount of state money which may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 780 bank accounts throughout the state. These accounts include time deposits, collection accounts which are demand deposit accounts for various state agencies, and the state's primary operating accounts which are also demand deposit accounts. Cash balances in the state's operating accounts which are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 2004, were entirely covered by federal depository insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo 2000 and Cumulative Supp. 2004, require depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2004, are listed by type below to give an indication of the level of risk assumed by the state at year-end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

		Reported Amount	Fair Value
Repurchase agreements	\$	364,627,000	364,627,000
U.S. government securities		1,716,305,691	1,705,090,327
Commercial paper		516,179,983	516,213,965
Other investments		5,130	40,704
Total Investments	\$	<u>2,597,117,804</u>	<u>2,585,971,996</u>

Investments are recorded at acquisition cost except "other" investments which are recorded at par. Investments in repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

6. Demand Deposit and Collection Accounts

The demand deposits with US Bank on Schedule 3 consist of twenty-three central demand accounts at June 30, 2004, twenty-two at June 30, 2003 and 2002, twenty-three at June 30, 2001, and one at June 20, 2000. The demand deposits with Central Bank consist of fourteen central demand accounts at June 30, 2004, thirteen at June 30, 2003, fourteen at June 30, 2002, twelve at June 30, 2001, and ten at June 30, 2000. The demand deposits with Premier Bank consist of two central demand accounts at June 30, 2004, 2003, 2002, and 2001. Demand deposit bank balances were \$20,388,987, \$11,072,902, \$15,131,904, \$31,142,804, and \$19,908,388 at June 30, 2004, 2003, 2002, 2001, and 2000 for US Bank and \$77,114,881, \$85,274,839, \$73,227,111, \$19,826,746, and \$33,776,593 at June 30, 2004, 2003, 2002, 2001, and 2000 for Central Bank, and \$58,800, \$17,018, \$43,463 and \$23,729 at June 30, 2004, 2003, 2002, and 2001 for Premier Bank.

The collection bank accounts on Schedule 3 consist of three master concentration accounts and their related collection accounts at various banks throughout the state. The General Concentration and Conservation Concentration Accounts were at Central Bank at June 30, 2004, 2003, 2002, 2001, and 2000. The Lottery Concentration Account was at US Bank at June 30, 2004, 2003, and 2002, and 2001 and at Central Bank at June 30, 2000. Collection account bank balances were approximately \$4,889,141, \$4,420,803, \$4,818,162, \$985,789, and \$873,732 at June 30, 2004, 2003, 2002, 2001, and 2000.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Schedule 3) for the appropriated funds demand deposits represent the book balance net of amounts invested.

7. Special Fund Dedicated Investments

Due to a change in the state's accounting system, as of July 1, 1999, the State Treasurer was assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Schedule 3 represent specific investments made or held by the State Treasurer on behalf of the Pansey Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection and distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansey Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments which were transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.

Prior to July 1, 1999, the investments of the Pansey Johnson-Travis Memorial State Gardens were recorded as a cash asset in the state's accounting system. Prior to July 1, 1999, the investments of the Public School Fund were not recorded in the state's accounting system.

8. Investments of Other Agencies

Schedules 6 and 7 do not include those funds which are invested directly by other agencies; e.g., the Agricultural Development Fund, the Department of Revenue non-state (local) funds, and the State Seminary Fund. The State Treasurer does not have investment authority for these funds and is not responsible for the efficiency of the investment of these funds or for the collection and distribution of the interest income.

9. Amount and Yield on Investment Earnings

The amount and yield on investment earnings on Schedule 7 are presented on a cash basis. However, approximate accrued amounts were \$8,893,101, \$11,739,870, \$14,738,819, \$29,198,570, and \$38,271,000 at June 30, 2004, 2003, 2002, 2001, and 2000 respectively, giving approximate yield rates of 1.61 percent, 2.18 percent, 3.11 percent, 5.61 percent, and 5.41 percent for the same corresponding periods on an accrual basis.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

OFFICE OF STATE TREASURER
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the financial statements of the Office of State Treasurer as of and for the year ended June 30, 2004, and have issued our report thereon dated January 28, 2005.

During our audit, we identified a certain management practice which we believe could be improved. Our audit was not designed to be a detailed study of every system, procedure, and transaction. Accordingly, the finding presented in the following Management Advisory Report should not be considered all-inclusive of areas needing improvement.

Collateral Securities

Internal audits of the collateral securities system by the State Treasurer's Office (STO) do not ensure the custodial banks properly release the collateral securities in accordance with the custodial contract. In addition, the results of the internal audits are not reported to or reviewed by upper management.

- A. The STO's internal audits of the collateral securities system do not ensure custodial banks properly release collateral securities in accordance with the custodial contract. The custodial contract requires custodial banks to provide safekeeping of securities pledged by independent banks acting as depositories for the STO. The contract also stipulates securities held for the benefit of the STO not be released, transferred, liquidated, or disposed without the written authorization of the State Treasurer. Replacement of securities requires the STO's prior verbal consent.

The STO's Internal Audit Section is responsible for performing audits of the collateral security system to ensure the collateral securities held by the custodial banks agree to the STO's records of pledged collateral security. One half of the custodial banks are audited each quarter by comparing collateral confirmations received from the custodial banks with STO records.

We reviewed the audits of three custodial banks for the quarter ended March 31, 2004. These three custodial banks held 278 securities for 46 depository (pledging) banks. The Internal Audit staff noted pledged securities that were included in the STO's collateral security records but not on the bank confirmations (17 instances) and vice versa (3 instances). In six of the instances, the Internal Audit staff sent letters in May 2004 requesting additional information to resolve the issues, but as of October 12, 2004, the STO had not received a response nor followed up further on the request. On the other 14 instances, the Internal Audit staff was able to trace the release to a subsequent authorization letter from the STO's investment staff. However, the Internal Audit staff did not contact the banks to determine the actual date of release or notify the banks of the apparent discrepancies and potential contract

violation. Internal Audit staff indicated that such discrepancies are usually related to securities released between the last day of the quarter (the effective date of the confirmation from the bank) and the date that the confirmation is generated. In many cases, securities released between those two dates will have been removed from the bank's system and will not be reflected on the confirmation. Without verifying the actual date of release with the banks, it is possible some of these securities were released or replaced by the custodial bank without proper prior approval from the STO.

While the custodial contracts stipulate that the collateral is not officially released until authorization is granted by the STO, the failure to officially notify the custodial banks when potential violations are noted may possibly be viewed as waiving the contractual requirement and may weaken the STO's ability to enforce the contract requirements in the event of a bank default.

The STO should ensure the custodial banks comply with contractual requirements by addressing any potential contract violation with the custodial bank. Also, all requests to the banks for additional information should be followed up to ensure they are resolved in a timely manner.

- B. The STO Internal Audit staff does not summarize or report the audit results of the collateral securities to upper management. While the audit files contain notations of discrepancies found and follow-up actions taken, including copies of correspondence with the custodial banks, this information is not summarized and shared with upper management. As a result, the STO's management staff is not made aware of recurring problems that might warrant further action with the bank, such as discontinuing the business relationship. Summarizing and reporting the results of collateral security audits to management staff would enhance their ability to monitor the program and deal with nonconforming banks.

WE RECOMMEND the STO:

- A. Ensure custodial banks are notified of potential noncompliance with contract requirements and follow up on requests for additional information in a timely manner.
- B. Require the results of the collateral security system audits be summarized and provided to management staff for their review.

AUDITEE'S RESPONSE

The Internal Audit Section of the State Treasurer's Office conducts regular audits of custodial banks' collateral. Unfortunately, we have found during the course of our audits that several of these custodial banks cannot reproduce accurate collateral inventory reports unless the report is generated on the particular day in question. Thus, for reports produced after the end of a quarter,

these banks' quarter-end reports will fail to list collateral securities that have since been called, matured or replaced since the end of the quarter in question, even if the securities were in fact held as collateral at quarter-end. In other words, once a security has been redeemed or deleted as collateral, the banks' systems appear to delete these from their system entirely.

Internal Audit staff have confirmed that all of the collateral securities cited by the State Auditor's Office fall within this category. After requesting transaction reports from these banks, we confirmed that in the largest potential case of exposure to the state the collateral that was missing from a quarter-end collateral inventory report was in fact pledged to the State of Missouri in accordance with state law and the custodial contract's requirements.

To prevent this data collection problem in the future, Internal Audit staff plan to make arrangements with these custodial banks to generate and submit quarter-end collateral reports in a timely manner, rather than have STO staff request monthly or quarter-end reports after the fact. We are also requesting this information to be submitted electronically to expedite our audits. We believe this will resolve the data collection problems cited by the State Auditor's report.

We concur with the findings and recommendations of the State Auditor's report that communication with non-compliant custodial banks and STO upper management regarding instances of nonconformance should be strengthened. The Internal Audit Section will maintain a log of violations or discrepancies by custodial banks and will also report such instances to upper management. If a custodial bank continues to fail to abide by requirements of their custodial contract with the state, upper management will discuss the issue with the bank's management. After making these efforts, if there is no improvement by the bank, the STO reserves the right to terminate the custodial contract.

This report is intended for the information and use of the management of the Office of State Treasurer and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

OFFICE OF STATE TREASURER
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Office of State Treasurer on the finding in the Management Advisory Report (MAR) of our prior audit report issued for the year ended June 30, 2003.

Questionable Expenditure

The STO co-sponsored a conference for women in business with a not-for-profit corporation without first obtaining a formal written agreement. Because of a misunderstanding and a lack of a formal written agreement between the sponsors, the STO paid approximately \$6,000 of the \$6,600 cost for the conference. In addition, it was unclear how the STO benefited from the joint venture or how costs of this project related to the STO's mission to ensure state funds are properly managed and invested.

Recommendation:

The STO obtain written agreements specifying terms of payment and responsibilities of both parties for all services provided. In addition, the STO should ensure state funds are used in accordance with the STO's mission.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

OFFICE OF STATE TREASURER
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U. S. government securities, or in certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services; 2) disbursements and records; 3) investments and deposit programs; and 4) unclaimed property.

The accounting and banking services area: 1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds; 2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances; 3) controls receipt of state monies collected by fee agents and state agencies and deposited in local banks throughout the state; 4) reconciles bank activity to receipt and disbursement activity reflected on the state books; 5) determines the amount of state monies not needed for current operating expenses, and 6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other departments of the State Treasurer's office, as follows: 1) provides storage and retrieval of state checks; and 2) controls and processes outlawed checks and processes and verifies claims for replacement checks.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447 RSMo). The Unclaimed Property Division is responsible for: 1) ensuring unclaimed property is reported; 2) receiving and recording reports of unclaimed property; 3) depositing unclaimed funds to the Abandoned Fund Account Fund; 4) maintaining custody and safekeeping of abandoned or unclaimed physical property; and 5) processing owner claims for abandoned funds or physical property.

Nancy Farmer became Missouri's forty-third State Treasurer when she took the oath of office January 8, 2001. She was the first woman to serve as State Treasurer in the state's 180-year history. Her term expired in January 2005. On January 10, 2005, Sarah Steelman was inaugurated as the forty-fourth Treasurer of the state of Missouri.

As of June 30, 2004, the office had forty-seven full-time positions to assist in the accomplishment of its mission. An organization chart follows.

OFFICE OF STATE TREASURER
 ORGANIZATION CHART
 JUNE 30, 2004

